

1 AN ACT concerning State finance.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the
5 Investment of Tobacco Settlement Proceeds Act.

6 Section 5. Purpose. This Act is created to invest a
7 portion of the proceeds from this State's share of the
8 nationwide tobacco settlement into biomedical research
9 designed to increase the understanding of tobacco-related
10 illness and to improve the treatment and care of Illinois
11 residents harmed by tobacco use.

12 Section 10. Definitions. For purposes of this Act:

13 "Affiliated teaching hospital" means a hospital located
14 in Illinois that is either (i) under common ownership with an
15 eligible university or (ii) a free-standing hospital that has
16 an affiliation agreement relating to the training of medical
17 residents with an eligible university.

18 "Base funding amount" means an amount equal to 5% of the
19 total unrestricted proceeds allocated by this Act to the
20 Tobacco Settlement Biomedical Research Fund.

21 "Committee" means the Tobacco Settlement Advisory
22 Committee, which shall be composed of the deans of each
23 eligible university or their designees.

24 "Eligible university" means a public or private
25 university located in the State of Illinois with a fully
26 accredited medical school conducting, either alone or through
27 its affiliated teaching hospitals, at least \$3,000,000
28 annually in National Institutes of Health sponsored research.

29 "IDPH" means the Illinois Department of Public Health.

30 "NIH" means the National Institutes of Health.

1 "NIH allocation amount" means the remaining funds in the
2 Tobacco Settlement Biomedical Research Fund that are to be
3 distributed to each eligible university following the annual
4 distribution of the base funding amount.

5 "NIH allocation calculations" means the method used to
6 determine the NIH allocation formula funding amounts for each
7 eligible university. On June 1 of each year, using the
8 previous federal fiscal year data for NIH funding, the
9 Committee shall:

10 (i) determine the total NIH funding received by
11 each eligible university, which determination shall
12 include the total NIH funding received by respective
13 affiliated teaching hospitals;

14 (ii) determine the total NIH funding received by
15 all eligible universities, including respective
16 affiliated teaching hospitals;

17 (iii) determine each eligible university's
18 percentage of the total NIH funding by dividing the total
19 NIH funding received by each eligible university as
20 determined in item (i) into the total NIH funding
21 received by all eligible universities as determined in
22 item (ii); and

23 (iv) determine the NIH allocation formula funding
24 amounts for each eligible university by multiplying the
25 NIH funding percentage for each eligible university as
26 determined in item (iii) by the NIH allocation amount.

27 "NIH allocation formula funding amount" means the amount
28 each eligible university receives based on the NIH allocation
29 calculations.

30 "Settlement agreement" means the portions of the
31 settlement agreement in the case of People v. Philip Morris,
32 Inc. et al. (Case number 96L13146 in the Cook County Circuit
33 Court) and any associated litigation that is relevant to this
34 State.

1 "Tobacco-related illness research" means basic or
2 clinical research directed toward the understanding of
3 tobacco-related illnesses, including but not limited to:
4 oral, pharyngeal, and esophageal cancers, and cancers of the
5 lung, bladder, and kidney; cardiovascular disease, including
6 heart attacks and strokes; pulmonary disease, including
7 emphysema and asthma; and neurological disease, including
8 stroke, nicotine addiction, and chronic depression.

9 "Tobacco Settlement Biomedical Research Fund" means the
10 fund created pursuant to Section 15 of this Act.

11 "Unrestricted proceeds" means that portion of the moneys
12 received by the State under the settlement agreement, the use
13 of which is not restricted under the terms of the settlement
14 agreement.

15 Section 15. Tobacco Settlement Biomedical Research Fund.

16 (a) The Tobacco Settlement Biomedical Research Fund is
17 created as a special fund in the State Treasury.

18 (b) One third of all unrestricted proceeds received by
19 the State under the settlement agreement shall be deposited
20 into the Tobacco Settlement Biomedical Research Fund.

21 Section 20. Allocation and disbursement of funds.

22 (a) On June 1 of each year, the Committee shall perform
23 and certify the NIH allocation calculations.

24 (b) Moneys in the Tobacco Settlement Biomedical Research
25 Fund shall be appropriated annually to the University of
26 Illinois, which shall transfer funds to each eligible
27 university in accordance with this Section with the exception
28 of the base funding amount for Southern Illinois University,
29 which shall be appropriated directly to that institution.
30 Funds shall be distributed on June 30 of each year to each
31 eligible university in the following manner:

32 (1) Each eligible university shall receive a base

1 funding amount.

2 (2) Each fiscal year, each eligible university
3 shall receive its respective NIH Allocation Formula
4 Funding Amount.

5 Section 25. Use of funds. Eligible universities
6 receiving funds from the Tobacco Settlement Biomedical
7 Research Fund may use such funds to:

8 (1) support ongoing programs relating to
9 tobacco-related illness research;

10 (2) create new programs relating to tobacco-related
11 illness research; and

12 (3) improve, equip, or construct laboratory space
13 to be used in furtherance of tobacco-related illness
14 research.

15 Section 30. Reporting requirement.

16 (a) On May 31 of each year, each eligible university
17 shall submit to IDPH a report detailing its use of funds from
18 the Tobacco Settlement Biomedical Research Fund. Each report
19 shall provide a detailed account of how these funds were
20 spent and shall provide an analysis of the progress of the
21 tobacco-related illness research funded under this Act during
22 the previous year.

23 (b) The IDPH shall annually review each such report and
24 prepare a summary report to the Governor and the General
25 Assembly.

26 Section 35. Audits. Notwithstanding the requirements of
27 any other State law or regulation, an eligible university
28 that conducts annual audits of its own operations may elect
29 to fulfill any audit requirements with respect to any or all
30 funds received under this Act by having such an audit
31 conducted at the time of its own annual audit at its own

1 cost.

2 Each eligible university shall make such an election at
3 the time that it receives funds under this Act. Each
4 eligible university shall not be required to elect that all
5 State grants be included in its annual audit. Such an
6 election may be for either financial or compliance audits, or
7 both. In the event of such an election, the audits shall
8 fulfill the audit requirements of the applicable State law or
9 regulation authorizing the grants, except for the reporting
10 dates required for the audits. The audits shall be conducted
11 in accordance with generally accepted auditing standards by
12 certified public accountants authorized to do business in the
13 State of Illinois.

14 The provisions of this Section do not limit the authority
15 of any State agency to conduct, or enter into contracts for
16 the conduct of, audits and evaluations of State grant
17 programs, nor do these provisions limit the authority of the
18 Auditor General. The State agency shall fund the cost of any
19 such additional audits.

20 Section 40. Contravention of law. Funds received under
21 this Act shall not be used in contravention of any law of
22 this State.

23 Section 90. The State Finance Act is amended by adding
24 Section 5.545 as follows:

25 (30 ILCS 105/5.545 new)

26 Sec. 5.545. The Tobacco Settlement Biomedical Research
27 Fund.

28 Section 99. Effective date. This Act takes effect upon
29 becoming law.